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University of Toronto - York University Joint Centre
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DEMOCRACY AND IDENTITY CONFLICTS IN ASIA: IDENTIFYING THE ISSUES FOR CANADA AND MULTILATERAL INSTITUTIONS

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I BACKGROUND

With the end of the Cold War and the collapse of the Soviet Union and other communist governments in East and Central Europe, some Western governments, analysts, and scholars have triumphantly declared a victory for liberal democratic and economic principles and a mandate to promote them around the world. At the same time, the outbreak of violent conflicts linked with claims of ethnic, religious, and other cultural differences in some of these societies has drawn academic and journalistic attention to a link between political and economic liberalization and the rise of ethnic conflict. These concerns have expanded in the aftermath of the 1997 Asian financial crisis. The fall of the Suharto government in particular has been associated with communal violence in parts of Indonesia as democratization and economic liberalization progressed. Events in societies such as Sri Lanka and Indonesia suggests that, under certain circumstances, the process of democratization contributes to ethnic and nationalist conflict. Some writers have even suggested that the dangers are so great that outside governments, multilateral organizations, and non-governmental organizations (NGOs) should not be promoting democratization without first taking long-term conflict-prevention measures (Snyder 2000). However, the experience of India and Taiwan since 1987 particularly suggest that in some contexts democratizing societies can enjoy a relatively high degree of peace amongst culturally distinct groups.

This paper reflects upon the policy implications of recent scholarship on transitions from authoritarian rule, particularly in the culturally divided societies of East, South-East, and South Asia. It aims to raise awareness of the dangers of the tendency of Western governments and non-governmental organizations to associate democratization mainly with the introduction of elections and the protection of individual civil and political rights, neglecting the legitimate grievances of minorities, aboriginal peoples, and other

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* The views presented here are those of the authors and not necessarily of the institutions to which they are associated. Details on the institutional associations of the authors are provided below.

vulnerable communities that must be addressed if meaningful democratization is to succeed. Such a tendency is evident in international governmental and media focus on Burma, a multinational society with one of the most tragic and costly of the failed democratization processes in Asia. International attention is focused on the heroic battles of National League for Democracy (NLD) leader Aung San Suu Kyi against the Rangoon regime, all but ignoring the equally heroic battles being fought in ethnic minority regions. In the words of a participant, Khun Okker, an ethnic Pao lawyer and foreign affairs spokesperson for the National Democratic Front, an alliance of 11 parties seeking the federalization of Burma:

When several hundred NLD supporters were recently arrested, there was much international concern but, fortunately, most have since been released. In ethnic minority areas, however, our people are still being killed everyday, and thousands of people are being forced from their homes. It is in ethnic minority areas that you can see the real suffering and volatility in Burman, but it does not attract anything like the same degree of attention (Smith 1996).

The paper grows out of an academic conference and policy round table focusing on Democracy and Identity Conflicts in Asia, held under the auspices of the University of Toronto-York University Joint Centre for Asia Pacific Studies on 4-5 December 2000. Following these events, and also organized by JCAPS, a smaller group of scholars, governmental, and non-governmental representatives met to discuss the policy issues flowing from the conference and round table. Funding for both the policy round table and workshop was generously provided by the Canadian Centre for Foreign Policy Development through the John Holmes Fund.

II A SUMMARY OF OUR RECOMMENDATIONS

We offer the following recommendations for government policy-makers, multilateral organizations, and NGOs aiming to enhance human security while building democracy within the complex cultural diversity of Asian societies.

Rethinking human cultural identities and democratization

Policies should reflect the situational, fluid, overlapping, and multi-layered nature of *all* human identities and the fact that they are formed, contested, maintained, and transformed within a political process in which states, including outside governments, play a part.

The concept of a 'vulnerable community' claiming to be culturally distinct should be used in conjunction with those of 'minority' and 'aboriginal people'.

Policy-makers need to deepen their understanding of democracy well beyond the conventional procedural focus on free, multiparty elections, universal suffrage, and representative assemblies, and the liberal focus on individual civil and political rights, to encompass group rights and recognition and an ideal of public participation in policy processes and other mechanisms to hold economic institutions accountable to social needs.

Promoting democratization

Outside governments and multilateral institutions should not promote procedural democracy and liberal rights without first considering whether they will contribute conflict between groups claiming to be culturally distinct and taking appropriate steps to prevent such conflicts.

On the other hand, policy-makers should be sceptical about claims by authoritarian governments that procedural democracy should be delayed indefinitely in order to avoid communal conflict.

Outside states should meaningfully support moderate ethno-nationalist and other leaders, conditional upon their addressing demands for cultural recognition and socio-economic justice for minority, aboriginal, and other vulnerable groups while building inclusive identities and tolerance.

Outside states should avoid attributing blame exclusively to one side, as communal conflicts are fuelled by the sense of grievance, real or imagined, of both minorities and majorities.

Policy-makers should be alert to the dangers for inter-group tolerance associated with different stages of the transition and consolidation of procedural democracy.

Enhancing human security and preventing conflict

The goal of human security, including the effectiveness of conflict prevention, will be enhanced by deepening democracy beyond merely procedural mechanisms and by designing policies sensitive to the fluid, situational, multi-layered, overlapping, and contested nature of human identities.

Both cultural recognition *and* socio-economic justice are essential and inseparable elements of conflict prevention and the achievement of human security.

Outside governments and multilateral organizations need to be more alert to the possibility that their human security, conflict prevention, and other development programmes are often used by states or counter-state elites to promote aims contradictory to the goals of "deep democracy".

International electoral support, monitoring, and observation missions should pay more attention to the long-term injustices that foster voting illegalities, intimidation, and human rights violations during elections.

Partnering with civil society

Outside states should focus their resources on supporting groups and individuals within Asian civil societies that seek to advance tolerance, inclusiveness, and demands for cultural recognition and socio-economic justice.

Rethinking the linkages between economic liberalization, democratization, and human rights

Recognition is needed both at the policy level as well as in public discourse, of the fact that economic liberalization, electoral democratization, and human rights are not always harmonious nor simultaneously achievable 'goods'. Moreover, it must be acknowledged that economic liberalization and electoral democratization have costs and that these costs are often disproportionately borne by minorities, aboriginal peoples, and other vulnerable culturally distinct groups.

Promoting ethical business in culturally divided societies

The Canadian government should ensure that Canadian firms act in a socially responsible manner with respect to minorities, aboriginal peoples, and other vulnerable culturally distinct groups.

The Canadian and other governments should promote the amendment of business ethnics guidelines to include explicit mention of the needs of minorities, aboriginal, and vulnerable culturally distinct groups, particularly in the context of democratization and economic liberalization.

Priority should be given to aiding efforts by minority, aboriginal and other vulnerable culturally distinct groups to hold economic agents, including firms, multilateral agencies, and governments, accountable for the affects their activities have on individuals and communities.

Policy-makers should advocate and support the inclusion of content concerning the needs of minority, aboriginal, and other vulnerable culturally distinct groups in business ethics courses.

Policy-makers should support efforts to build networks of current and former CEOs attempting to foster ethical business practices in Asia with respect to minorities, aboriginal peoples, and other vulnerable culturally distinct groups.

Where firms refuse to acknowledge and remedy their complicity in the repression of these groups or refuse to stop activities that are having a detrimental effect on them, outside governments and multilateral organizations should pressure these firms to withdraw from the country or region in question.

III OUR RECOMMENDATIONS IN MORE DETAIL

1. RECOGNIZING THE COMPLEXITY OF CULTURAL IDENTITIES

The situational, fluid, overlapping, and multi-layered character of human cultural identities pose particular challenges for policy-makers. Minority and other vulnerable culturally distinct 'groups' are never internally homogenous nor completely discrete from other groups. Cleavages exist within and cross-cut group boundaries. This makes co-operation between groups possible, but sometimes difficult to extend to all levels. Moreover, the activities of domestic and outside governments, as well as multilateral institutions, themselves influence how people define their cultural selves and associations. These realities make it difficult to design and implement policies successfully. The tendency is often to assume that, if human cultural identities are not primordial, fixed, mutually exclusive, or monolithic, they are unworthy of recognition. Better policy will emerge when it is accepted that *all* human identities are situational, fluid, overlapping, and multi-layered and that they are formed, contested, maintained, and transformed within political processes in which states and outside NGOs play a part.

Terms such as 'minority' group and 'aboriginal people', drawn from the international human rights discourse, should be used with the awareness that they sometimes obscure the complexity of human cultural identities, marginalize those so identified, or exclude from recognition a significant number of vulnerable culturally distinct groups. The people of Hong Kong and Macau have a distinctive identity and way of life, but are mostly not ethnically distinct from the PRC over the border (Henders 2000). Excluded by conventional definitions rights rights-bearing group identities within international human rights norms, they *as communities* gain no meaningful protection from these norms. The simplification, exclusion, and marginalization produced by international human rights norms too often benefits governments and others with power in the states concerned.

We recommend the parallel use of the concept of a 'vulnerable community' claiming to be culturally distinct. This term draws attention to the fact that some human associations have needs and interests that are different from those who dominate the institutions of the state and the economy, whether or not they are a numerical minority and whether or not their claim to cultural distinctness is based on conventional ethnic, religious, or linguistic criteria. Thinking outside the human rights model, and the concepts of minority and aboriginal people, helps focus attention on human needs, including demands for cultural recognition and socio-economic justice, both in their universal elements and in their complex local variations.

2. RECONCEPTUALIZING DEMOCRACY

Policy-makers need to adopt a deeper definition of democracy and democratization. It must go beyond the conventional procedural focus on the introduction of free, competitive, multiparty elections, universal suffrage, and representative assemblies, and the liberal focus on individual rights. A narrow, procedural, liberal understanding of democracy tends to direct attention away from the needs and demands of human

associations and away from the grievances of minorities and other vulnerable groups claiming to be culturally distinct, who often bear a disproportionate share of the costs of economic and political liberalization, even while they may also derive some benefit from them.

Deepening entails extending democratic principles to all scales of institutional life, encompassing, but not limited to, national and local electoral institutions. Such a perspective would entail building provisions for meaningful and inclusive public participation in planning and other decision-making processes at all levels, local, regional, national, and trans/international. It would also entail ensuring the legal and political infrastructure necessary to support non-governmental organizations and more informal forms of association life, including ethnic and other cultural groups, within civil society. Such dense networks within civil society, when linked vertically to formal political and economic institutions, have been shown to corroborate positively with economic prosperity, sustainable development, *and* electoral democracy (Woolcock 1998).

Deepening democracy also extends to the economic sphere, lest states attempt to pass on responsibilities for social protection and reproduction to NGOs, informal networks, and individual households, even as they burden vulnerable communities with the social costs of economic liberalization politics. In the context of the globalization of neoliberal ideology and laissez-faire growth strategies, we may recall the important work of Karl Polanyi (1957) on the perils of economic liberalism when disembedded from the imperatives of social life. Polanyi's appeal to re-embed economic institutions within society hold special significance today, as broad constituencies unite to protest the non-transparency of supra-national economic institutions. Hence the injunction here to introduce procedures by which economic institutions at all spatial scales (from local to global) are held accountable by vulnerable groups claiming to be culturally distinct as well as by others affected by their policies and practices (Rankin 2001).

In a culturally plural context, a commitment to deepening democracy must also attend to two equally significant forms of injustice to which marginal groups are subject: cultural injustices that violate the right of groups to recognition and socio-economic injustices that result from inequitable resource distribution. Focusing exclusively on the latter, as many development and welfare programmes do, can exacerbate the former if not accompanied by processes that honour group claims for cultural recognition (Fraser 1997).

In Taiwan, land reform played an important role in addressing the socio-economic grievances of the majority native Taiwanese (*Bendiren*). This did not satisfy their desire for recognition of their cultural distinctness, as expressions of a separate Taiwanese identity and language were suppressed by the Guomindang (GMT) government, dominated by the mainland Chinese (*Weishengren*) minority. However, the land reform policy helps explain why the resentments of the ethnic majority during the political transition were not more explosive.

In Macau, the majority ethnic Chinese population often did well economically, dominating business dealings in the enclave under the Portuguese. However, the use of

Chinese languages in official contexts was curtailed. Now that Macau is under PRC administration, old resentments make some local Chinese reluctant to use Portuguese in official and administrative contexts or make symbolic concessions recognising and valuing the minority Portuguese-speaking Macanese community.

In Malaysia, the government only recognises the aboriginal *Orang asli* in areas that do not threaten Malays, such as forest hunting and gathering and crafts. This suggests formal equality, but in practice denies both equality and the recognition of difference.

(e) Deepening democracy allows for the recognition of both individual and group rights, needs, and aspirations, while also recognizing the diverse and sometimes contending understandings of individual and group identities at play in all societies.

3. RETHINKING THE PROMOTION OF DEMOCRACY IN CULTURALLY DIVIDED SOCIETIES

Outside governments and multilateral institutions should not promote economic and political liberalization, including democratic elections, without first considering whether these changes are likely to prompt conflict between groups claiming to be culturally distinct and taking appropriate steps to prevent such conflicts, even if this means delaying the introduction of elections.

The evidence from Africa, East and Central Europe and the former Soviet Union, and the Asia Pacific is that political and economic liberalization, as well as the introduction of electoral democracy, do not always foster ethnic conflict, but can do so in some circumstances. The introduction of electoral competition has encouraged political parties in Taiwan to respond to the demands of many vulnerable groups, including aboriginal peoples. In Indonesia, democratization has been associated with rising communal conflict along some cleavages in some parts of the country, but not in all cases. The relationship between democratization and inter-cultural group relations is complex and not completely understood by scholars. However, we can draw attention to the following considerations:

Pre-existing state and societal institutions: The nature of both societal and state institutions in the authoritarian period influences the likelihood that the introduction of democratic elections will generate violence or exclusive claims on the part of culturally distinct groups (Brown 2000).

If the authoritarian societal and state institutions that maintain inter-communal accommodations are undermined during or prior to democratic transitions, and there is little breathing space for the peaceful renegotiating of a modus vivendi or, ideally, an inclusive civic identity, democratization may result in violent conflict, as it has between Christians and Muslims in Maluku after the fall of Suharto (Bertrand 2000).

At the societal level, when there are no channels of citizen mobilization available during democratization other than those involving claims of exclusive ethnonationalism, the risk of violent conflict is high. Thus, democratization is less likely to foster nationalist or communal conflict if societies first develop the rule of law, an impartial bureaucracy,

civil rights, and a professional media with some capacity to counter exclusive ethnonationalist claims with inclusive civic identities and values. Elites are more likely to play the communal or ethnonationalist card to mobilize supporters in contexts where they monopolize governmental, economic, and media resources. India has been as successful as it has in maintaining a democratic ethnic peace because it developed some liberal institutions prior to democratization. Although in recent years, with the breakdown of the Congress system, these civic institutions have not kept up with demands for popular participation, opening the way for the rise of the Bharatiya Janata Party (BJP) (Snyder 2000).

These observations confirm the importance of developing societal and state institutional capacity for tolerance and inclusive identities and deepening democracy, in conjunction with and if necessary prior to the introduction of electoral mechanisms. However, there are many obstacles to such an approach. Liberal institutions such as a professional media are difficult to develop effectively in authoritarian contexts. Moreover, contagion effects are often such that internal and external pressures for the introduction of electoral democracy may be unstoppable even when little prior liberal institution-building has occurred. Furthermore, in many parts of the Asia Pacific, liberal institutions are controversial because they are perceived to be foreign, even imperialist, and culturally inappropriate. It does not help that the biases inherent in liberal institutions, including the preferencing of individual over associational identities and of contractual over personal relationships, are often unacknowledged by liberal scholars and policy-makers.

Therefore, it is all the more important that outside governments and agencies should work through local organizations aiming to encourage tolerance and inclusive identities, as these organizations are more likely to develop initiatives that are perceived as legitimate and that are sensitive to local contexts.

The transition in Taiwan reveals the importance of religious organizations such as the Presbyterian Church of Taiwan and Buddhist groups in helping to foster understandings of citizenship that transcend ethnic cleavages (Laliberté 2000; Stainton 2000).

Leadership: Much depends on contingent factors such as the availability and strength of leaders at all levels willing to make compromises and foster reconciliation. Part of Taiwan's success in fostering a fairly inclusive understanding of who is Taiwanese can be attributed to former President Chiang Ching-kuo, a mainlander, who promoted more locally born Taiwanese in the higher echelons of the party, including his successor Lee Teng-hui.
Outside states should support the demands of moderate ethnonationalist and other leaders, encouraging them to foster state policies, including modes of democratization, that address demands for cultural recognition and socio-economic justice for minority and other vulnerable groups while building inclusive identities and tolerance. At the same time, outside states need to be aware of the contexts in which their support can taint and delegitimate a local leader and her/his policy platform.

(c) Ending impunity and attributing blame: There is some evidence that democratization occurs more smoothly, and that authoritarian leaders will be less willing

to play the ethnic and/or nationalistic card, when they are given a 'golden parachute' out (Snyder 2000). In post-colonial Asia, authoritarian governments may successfully argue to their majority populations that international pressure for the prosecution of those accused of grievous human rights abuses, and the movement for an international criminal court, are thinly disguised Western neo-colonialism. They are more likely to make such arguments when fearful of the consequences of democratization for their personal well-being.

However, there is also evidence that complete impunity for authoritarian leaders believed responsible for human rights abuses against minority groups and others makes it difficult to achieve the reconciliation required for democracy to work in culturally divided societies. Taiwan's transition to democracy was largely peaceful, and fostered a relatively inclusive definition of citizenship, in part because key GMT leaders have been willing to atone for their inappropriate measures, while key opposition leaders have been willing to forgive. The failure of Indonesian governments meaningfully to address grievances connected with past and ongoing human rights abuses by the military fuels the independence movement in Aceh.

In this context, made-at-home processes of reconciliation rooted in local cultural norms and accepted as legitimate by a broad cross section of local moral opinion leaders are likely to be more effective than those imposed by foreign governments or multilateral organizations. The Cambodian and Indonesia court actions against those accused of human rights abuses under the Khmer Rouge and Suharto governments respectively illustrate the dangers of such an approach when those accused of human rights violations remain powerful. However, solutions to this problem should be sought within the country itself, discretely and creatively supported from the outside, so that the end results retain strong local legitimacy.

Finally, the parties to ethnic conflicts will be less willing and able to make symbolic and material concessions if outside states are seen as painting one party as the villain and the other as a victim, or to favour one side over the other. Whatever the culpability perceived by outside policy-makers, they need to recognize that ethnic conflicts are fuelled by the sense of grievance, real or imagined, of both minorities and majorities. Left unrecognized and addressed on either side, this sense of grievance can fuel extremist ethno-nationalist political parties, which undermines democracy.

Multiple and cross-cutting cleavages: A society with more ethnic-diversity and with cross-cutting cleavages will be more likely to develop and consolidate democratic institutions. In India, the presence of multiple cleavages that cross-cut religious, linguistic, caste, and class lines have contributed to that country's considerable inter-ethnic peace. (The ethnic conflicts marring its record are attributable, not to democracy, but to an absence of local democracy or to authoritarian central government policies.) Federalism contributed to the cross-cutting of cleavages in India because, in making boundary adjustments to create a larger number of more homogeneous linguistically based states, demands for religiously based states were rejected. Multiple, cross-cutting cleavages also makes it difficult for any party to impose a lasting and exclusionary policy

it if wants to win elections. So while democracy has not prevented the rise of a chauvinistic movement like the BJP, the democratic electoral and political process constrains its ability to impose its view, forcing an accommodation with groups outside its core support base (Hansen 1999).

Stages of democratization: The distinctive stages of the transition and consolidation of procedural democracy present different challenges for creating and maintaining tolerance in culturally divided societies. Particularly, struggles against authoritarian rulers often create alliances between democratic oppositions and minority ethno-nationalist movements. With the demise of the authoritarian governments, these democratic-ethnonationalist alliances can be instrumental in bringing about agreements to address the grievances and demands of minority, aboriginal, and other vulnerable communities claiming to be culturally distinct (Henders 2000). This may involve a redistribution of territorial-political authority, such as the agreement under the Acquino government in the Philippines for political decentralization in Muslim Mindanao. Or the alliance can generate political support for new definitions of citizenship that are more inclusive and accommodating of cultural pluralism, as occurred in Taiwan as a result of an opposition alliance between the Democratic Progressive Party and some aboriginal groups (Stainton 1999), and in Malaysia under the recently created opposition Party Keadilan, a consciously multiethnic creation (Nagata 2000). However, as the Mindanao case shows, these democratic-ethnonationalist alliances can break down as transitions progress, giving rise to renewed ethnonationalist violence. Multiethnic alliances may exist amongst elites when they deal with one another, but break down when elites campaign for votes at the local level. In Malaysia during the most recent country-wide election, Party Keadilan elites who co-operated across communal lines within the party nationally still used exclusive ethnonationalist claims to mobilize voters locally (Nagata 2000).

Truncated democratization: There is some evidence that a truncated democratization process, such as that in Malaysia since the 1969 ethnic riots or in Singapore, may help avoid the worst kinds of ethnic conflict (Snyder 2000). However, outside governments contemplating the deliberate cultivation of the Malaysian or Singapore model should do so cautiously. For one, as mentioned above, while Malaysia has avoided the cycles of election-fuelled ethnic outbidding and violence experienced by Sri Lanka, politicians still regularly resort to exclusive ethnic claims to mobilize voters and avoid accountability. There is little reason to believe that a civic Malaysia identity is emerging that could form a foundation for further democratization (Nagata 2000). While the Singapore government could once legitimately argue that authoritarian rule was necessary to avoid communal war, such arguments currently are now no more than an attempt to justify avoiding accountability (Bell 2000).

4. RETHINKING HUMAN SECURITY AND PREVENTING CONFLICT

It follows from the above discussion that human security in culturally plural societies cannot necessarily be achieved through the introduction of procedural democracy and, in fact, can be damaged by it. In such circumstances, the goal of human security and the effectiveness of conflict prevention will be enhanced by adopting a long-term focus, by

replacing the goal of procedural democracy with that of deep democracy, and by designing policies sensitive to the fluid, situational, multi-layered, overlapping, and contested nature of human identities.

In addition to cultural recognition and political autonomy, policies promoting economic redistribution and security, including land reform and sustainable development, are also central to the promotion of human security for minorities, aboriginal peoples, and other vulnerable culturally distinct communities. Both cultural cultural recognition *and* socio-economic justice are essential and inseparable elements of conflict prevention and the achievement of human security.

Outside governments and multilateral organizations need to be alert to the fact throughout Asia international development projects aimed at human security and conflict prevention, however well intentioned, are often used by states or counter-state elites to promote their own political goals, including ethnonationalist mobilization and ethnic cleansing in societies marked by ethnic and caste hierarchies. This occurs through such mundane practices as the hiring and selection of target beneficiaries, as well as in more overt and violent ways. For instance, according to Ross Mallick (1998), the CIDA Mahaveli Project was used by the Sri Lankan government to support the ethnic cleansing of Tamils. Efforts must be made to anticipate and avoid such outcomes.

More attention should be paid in international electoral support, monitoring, and observation missions to the long-term injustices that foster voting illegalities, intimidation, and human rights violations during elections, to the detriment of both majorities and minorities, aboriginal peoples and other vulnerable communities. This dimension gets little attention in studies of election monitoring and development (see, for instance, Wentges 1997).

5. PARTNERING WITH CIVIL SOCIETY

While not losing sight of the need to democratize government and to improve international institutions for the enforcement of human rights more generally, much can be achieved by operating locally and at the non-governmental, civil society level. This is especially the case when political reform at the parliamentary level is blocked, such as in China, Vietnam, and Burma. It may lead us to new solutions. These seem especially necessary given that UN human rights institutions in recent years have had the paradoxical effect of exempting of states such as China from real compliance with international human rights law. It is also critical because of the way in which the willingness and capacity of states to defend economic and social rights in particular are weakened by economic liberalization and free-market ideologies.

Therefore, outside states should focus their resources on supporting groups and individuals within local civil societies that are seeking new ways to advance tolerance, inclusiveness, and the demands for cultural recognition and socio-economic justice of minorities, aboriginal peoples, and other vulnerable culturally distinct communities. Programmes should be directed at building constituencies for political, social, and

economic change through academic exchanges and linkages between Canadian and Asian non-governmental organizations.

At the same time, it should be recognized that directly supporting such groups and individuals can lead to backlash by the state against both local people and foreign individuals, organizations, and governments. In this light, a climate of trust and a level moral playing field can be enhanced by *not* promoting Canada as a model of communal harmony. Instead, the Canadian experience can be more truthfully presented as one of a multinational, culturally diverse society struggling with similar issues with varying degrees of success, as a society that strives for solutions consistent with democratic principles and values, but recognizes that majoritarian democracy can and do fail minorities, aboriginal peoples, and other vulnerable communities and nationalities.

6. RETHINKING THE LINKAGES BETWEEN ECONOMIC LIBERALIZATION, DEMOCRATIZATION, AND HUMAN RIGHTS

More recognition needs to be given, both at the policy level as well as in public discourse, to the fact that economic liberalization, electoral democratization, and human rights are not always harmonious 'goods' nor simultaneously achievable. In particular, minorities, aboriginal peoples, and other vulnerable culturally distinct groups often bear a disproportionate share of the costs of economic liberalization and procedural democratization. The fact that economic liberalization and democratization have costs often borne disproportionately by vulnerable communities is rarely acknowledged in the public declarations and policies of governments and multilateral institutions.

Furthermore, the Canadian government must work to institutionalize procedures whereby the agents of economic liberalization—governments, multilateral institutions, and firms—can be held accountable by minority, aboriginal, and other vulnerable groups claiming to be culturally distinct and their advocates.

The Canadian Department of Foreign Affairs and International Trade should more openly address its own conflict-of-interest in this regard, which is built into its dual role as a representative of the interests of business as well as of the human rights concerns of a broad cross-section of the Canadian public.

In some cases, exemplified by the activities of Talisman Energy Inc. in the Sudan, Canadian and other foreign firms can, intentionally or otherwise, become complicit in the state repression of minorities, aboriginal groups, and other vulnerable culturally distinct groups. Across Asia, these groups often live on lands rich in natural resources, a prime target for firms involved in mineral, forestry, energy, and other extractive industries. Canadian firms are particularly active in these economic sectors. Therefore, the Canadian government should be making a special effort to ensure that Canadian firms act in a socially responsible manner. Whether in the minority nationality areas of western China, which the state has recently opened up for foreign investment and trade, or the watersheds of the Three Gorges Dam project in central and eastern China; whether in the oil and gas fields off the strife-torn Indonesian province of Aceh and newly independent East Timor

or in the mines of the Philippines, Canadian firms and their Canadian government promoters need to pay more attention to the impact of their activities on the lives of minorities, aboriginal peoples, and other vulnerable groups claiming to be culturally distinct.

Symptomatically, business ethics guidelines such as the International Code of Ethics for Canadian Business and the OECD Guidelines for Multinational Enterprises, which Canada has endorsed, contain no mention of the potential impact of foreign trade and investment on these groups, nor the fact that firms, in order to operate in particular regions, sometimes support the repressive practices of states towards such communities, whether knowingly or otherwise.

7. PROMOTING ETHICAL BUSINESS IN CULTURALLY DIVIDED SOCIETIES

Is there a way to make Canadian businesses operate more ethically in Asia, in particular with respect to recognizing and responding to the demands and needs of minorities, aboriginal peoples, and other culturally distinct vulnerable groups? Our recommendations are based on the recognition that locally based pressure for ethical business practices is more likely to be accepted by the societies, governments, and firms concerned. They acknowledge that legal-style solutions may not always be the most effective way of reforming business practices in parts of the Asia Pacific where legal sanctions are not always the main means of changing human behaviour. Finally, they recognize that business links through trade and investment are valuable potential sources of policy leverage, particularly in Asia Pacific states with authoritarian governments. Our approach requires a commitment to longer-term change rather than cosmetic fixes and empty public declarations. However, it is more likely to achieve some successes.

While we recognize that business ethics guidelines are voluntary and currently have no real teeth, it is important for them to make explicit mention of the vulnerabilities of minorities, aboriginal, and other culturally distinct vulnerable groups and their particular need for protection and recognition as economies liberalise.

Policy-makers should support local non-governmental and governmental initiatives in Asia that aim to make international and local business firms more socially responsible in their operations in these countries. They should particularly direct resources to organizations that work with minorities, aboriginal peoples, and other vulnerable groups to hold business firms accountable. In doing so, it should be recognized that many Asian societies are already taking steps in this direction and that Canadian society has a good deal to learn from them as well.

Policy-makers should support MBA and business executive training programmes focusing on business ethics, ensuring among other goals that they educate future business leaders about cultural diversity and the particular needs of minorities, aboriginal peoples, and other vulnerable groups within Asian and other societies.

Policy-makers should support efforts to build networks of current and former CEOs that use peer pressure to foster more ethical Canadian business practices in Asia. Partnerships should be built with organizations such as Transparency International and the CEOs of firms who have become leaders in ethical business practices (although often only because of considerable international and local pressure), such as the executives of Placer Dome.

Where firms refuse to acknowledge and remedy their complicity, intended or otherwise, in the repression of minorities, aboriginal peoples, and other vulnerable culturally distinct groups, or refuse to stop activities that are having a detrimental effect on such groups, outside governments and multilateral organizations should pressure these firms to withdraw from the country or region in question.

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